GOVERNMENT OF INDIA
INFORMATION AND BROADCASTING
LOK SABHA

STARRED QUESTION NO:87
ANSWERED ON:04.12.2015
Auction of FM Radio Channels
Owaisi Shri Asaduddin;Vanaroja Smt. R.

Will the Minister of INFORMATION AND BROADCASTING be pleased to state:

(a) whether the auction of first batch of FM radio Phase-III has been completed;

(b) if so, the details and the present status thereof along with the cities for which the e-auction was carried out and the total bid amount received, city-wise;

(c) the number of frequencies remained unsold and the reasons therefor;

(d) whether the quoted auction prices are as per the expectation of the Government, if so, the details thereof and the future plan chalked out for the auction of FM radio keeping in view the present auction strategy and determination of prices; and

(e) whether irregularities have been reported during e-auction process of FM channels, if so, the reasons therefor and the auction taken in the matter?

Answer

THE MINISTER OF FINANCE; MINISTER OF CORPORATE AFFAIRS; AND MINISTER OF INFORMATION AND BROADCASTING (SHRI ARUN JAITLEY):
(a) to (e): A statement is laid on the Table of the House.
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STATEMENT REFERRED TO IN REPLY TO PART (a) TO (e) OF LOK SABHA STARRED QUESTION NO.87 FOR ANSWER ON 04.12.2015

The e-auction of first batch of private FM radio phase-III comprising 135 channels in 69 Phase-II existing cities (Annexure-I) commenced on 27th July, 2015 and completed on 9th September, 2015 after 125 rounds of bidding. City wise successful bidders and associated frequency spots alongwith successful bid amount i.e. Non-Refundable One Time Entry Fee (NOTEF) under e-auction of first batch of private FM radio Phase-III channels were notified on 16th September, 2015 (Annexure-II). Against total commitment of Rs.1055.9 crore notified on 16th September, 2015 MIB has received full payment by 1st October, 2015.
Out of 135 channels put for auction during first batch, no bid was received for 38 channels across 22 cities. No bid received in 13 cities having 26 channels and partial bids received in 9 cities thereby 12 channels remained unsold.This is due to the demand - supply based market economics and bidder's strategy.

Against the cumulative reserve price of Rs.550.18 crorefor 135 channels,government received aggregate provisional commitment of Rs.1156.9 crore for 97 channels in 56 cities. Out of 97 channels, 53 channels in 35 cities were sold at a premium over reserve price whereas 44 channels in 21 cities were sold at reserve price.MIB conducts e-auction of FM Radio Channels in batches as per the extant FM Phase-III Policy. No irregularity has been reported during e-auction of first batch.

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